



Office of Rental Development and Homeless Initiatives

Homeless Prevention and Rapid Re-Housing Program
American Recovery and Reinvestment Act of 2009

Policy and Procedures
Updated 7-22-2010

C O N T E N T S

I.	Program Description.....	2
II.	Grant Terms.....	2
III.	Target Population.....	2
IV.	Use of Funds.....	4
	Administrative Costs.....	4
	HMIS/Data Collection and Evaluation.....	5
	Financial Assistance.....	5
	Housing Relocation and Stabilization Services.....	6
V.	Ineligible Activities.....	6
VI.	Client Information.....	7
	Client Files	7
	Identification Documentation.....	8
	214 Status.....	8
VII.	Documentation.....	8
	Transitional Housing Waiver.....	8
	Documentation of Homelessness.....	8
	Documentation of Eviction.....	9
	Documentation of Utility Shut-off.....	9
	Waiver of SER Denial Letter.....	10
	Other Mainstream Resources.....	10
	Letters Substantiating Other Prevention Assistance.....	11
	Documentation of Full-Student Status.....	11
	Staff Affidavit.....	11
VIII.	Income.....	11
	Verification of income.....	11
	Calculation Worksheet.....	11
	Verification of Income/Quarterly Review.....	12
	Adjustment Notification of Landlord.....	12
IX.	Housing Documents.....	12
	Lease.....	12
	Lease Approval.....	13
	Rent Reasonableness.....	13
	Notice of Inspection.....	13
	Housing Quality Standards (HQS).....	13
	Inspection Deficiencies Notice.....	13
	Lead-Based Paint Inspections.....	14
	W-9 Request for Taxpayer Identification Number and Certification.....	14
X.	Program Support Information.....	14
	Occupancy Standards.....	14
	Payment Standard.....	15
	Deposits and Non-Refundable Fees.....	15
	Requiring Participation in Support Services.....	15
	Financial Status Reports (FSR) and Cash Advance.....	16
	Appeals Process/Program Violations/Fraud.....	16
	Reporting on No. of Jobs Created/Retained.....	16
	Quarterly Performance Report.....	16
XI.	Intake, Assessment, Housing Plan.....	16

Program Description

The Michigan State Housing Development Authority (MSHDA) distributed \$23,513,533.00 which is MSHDA's share of the U.S. Department of Housing and Urban Development's (HUD) Homelessness Prevention and Rapid Re-Housing Program (HPRP).

HPRP funds offer a once-in-a-generation opportunity to transform our existing homeless assistance systems to one that prevents homelessness and re-houses those who do become homeless. Therefore, in order to apply for HPRP, Continuum of Care (CoC) Body's were required to submit a Community Housing Assistance Program (CHAP), which outlined how they would **transform homeless assistance in their community**. The CHAP shifted the focus from providing shelter to **preventing homelessness and rapidly re-housing** people who do become homeless.

II. Grant Terms

It is required that 100% of the funds be expended by September 30, 2011. In addition, 85% of 50% of the total grant amount must be spent within the first 12 month of grant issuance. Prior to the end of the first 12 months, the CoC Body and grantee will be evaluated based upon performance, data collection, and use of funds. Funds may be redistributed based upon this evaluation.

****Agencies who have expended year-one funds can begin committing year-two funds immediately. Once HPRP funds are exhausted, there is no guarantee of additional resources being committed to the local community. This should be taken into consideration by the CoC.**

Reminder: HPRP funds CANNOT be set aside for rental assistance beyond a three month time period.

III. Target Population

This program is targeted to individuals and families who are homeless and/or at risk of homelessness and short-term assistance will bridge a financial gap to housing stability. There are two target populations:

Prevention:

- Those who are currently in housing but are **at risk of becoming homeless** and need short-term leasing and/or utility assistance to prevent them from becoming homeless. Gross household income at admission must be at or below 40% of the area median income (AMI).

Rapid Re-Housing:

- Those who are residing in shelters or on the street that need longer-term leasing assistance in order to obtain and sustain housing (**rapid re-housing**). Gross household income at admission must be at or below 30% of the AMI.

For both Prevention and Rapid Re-Housing: After admission into the program, if gross annual household income exceeds 50% of the AMI, the household is no longer eligible for assistance. All households are subject to re-verification of their income by quarterly review, and if a household's gross annual income exceeds 50% of the AMI, assistance will cease the month immediately following verification of income.

Foreclosure

Homeowners losing their housing due to foreclosure and have proof of a Sheriff's Sale qualify for HPRP if they meet all of the program requirements and will become homeless but for this assistance. In addition, an individual/family residing in a rental unit that is being foreclosed upon qualifies for HPRP if they meet all of the program requirements and will become homeless but for HPRP; proof of the foreclosure must be obtained for their file. However, remember that HPRP is NOT a mortgage assistance program.

Condemned Housing

Homeowners and renters living in condemned property are considered homeless and qualify for HPRP if they have proof of the condemnation, meet all HPRP guidelines, and will become homeless but for HPRP.

HPRP funds **cannot** be used to:

- Pay utility arrearages and utility payments for homeowners;
- Pay rental assistance for rent to own/lease to purchase;
- Provide Prevention Assistance to help those on Section 8 (whether it's a MSHDA Section 8 or another Public Housing Authority Section 8);
- ****Provide assistance (pay security deposits and/or utility payments etc.) to those living in subsidized housing;**
- Assist a household with their rent if they have a project-based voucher;
- Assist individual(s)/households in transitional housing;
- Set aside money for individual(s) who may be at risk of losing their job;
- Assist the homeless or those at risk of becoming homeless to obtain expungements and/or pardons of their criminal records or for re-entry advocacy to help ex-offenders get jobs;
- Pay rent bills from a previous address;
- Pay utilities and/or rent for tenants renting a unit owned by a family member.

**** New** voucher holders may receive security deposit and utility deposit assistance for re-housing through HPRP if they cannot obtain the funds from the Department of Human Services (DHS). *This does not change current policy on payment of utilities for voucher holders. HPRP cannot be used for payment of utilities for voucher holders as this is already factored into the rental assistance.* By **new** MSHDA is referring to those who have not yet received rental assistance as a result of a housing voucher, i.e. new to a Housing Voucher Program. This includes all Housing Voucher Programs, such as Section 8 Housing Choice Vouchers, Project Based Vouchers, Homeless Assistance Recovery Program (HARP) and Veteran's Assistance Supportive Housing (VASH) Vouchers. A copy of the DHS Denial Letter must be maintained in the client's file.

Residency: HPRP assistance must be based upon an individual(s) county of residence; individual(s) cannot receive assistance based on their county of employment. There is no minimal time limit for residency in order to be considered for HPRP assistance.

Subsidized housing refers to any housing programs funded by any Federal, State, or local government in which rent is based on the tenant's income (such as TBRA, Section 8, HARP, TSHLAP, TIPLAP).

HPRP funds can be used to place or assist those residing in low income housing tax credit (LIHTC) units, unless subsidized with a housing voucher/subsidy. *Be certain that the tenant does not have a housing voucher/subsidy.*

The owner/landlord cannot occupy the assisted unit and cannot be related to any household member (including parent, grandparent, aunt, uncle, or blood relative).

IV. Use of the Funds:

There are *four categories of eligible activities for these funds*:

1. Administrative costs;
2. Data collection and evaluation;
3. Financial assistance;
4. Housing relocation and stabilization services.

These eligible activities are intentionally focused on housing—either financial assistance to help pay for housing or services designed to keep people in housing or to obtain housing. This assistance is *not* intended to provide long-term support for program participants, nor will it be able to address all of the financial and supportive services needs of households that affect housing stability. Rather, assistance should be focused on housing stabilization, linking program participants to community resources and mainstream benefits, and helping participants develop a plan for preventing future housing instability.

Administrative costs are limited to five percent (5%) of the total grant amount. It is MSHDA's intent to pass on all administrative funds directly to local grantees. Eligible expenses include:

- Space costs (office space, utilities);
- Communication costs (printing, telephone, copying, postage);
- Supplies (paper, files for documenting cases);
- Computers;
- Accounting for use of grant funds;
- Obtaining program audits;
- Sub-grantee staff salaries associated with administration of the program;
- Staff training for those who will administer HPRP or provide direct services to eligible participants;
- Supervisor's pay;
- Bookkeeping costs (includes bookkeeping costs associated with financial assistance and housing relocation and stabilization services).

Agencies can include the cost of cell phones, bookkeeping services used to write and account for checks made out to vendors, and case management supplies under the case management billing line. These costs should be included within the case management wages with verification maintained at the local office for auditing purposes.

Note that when MSHDA or HUD audit/monitor the agency records, the case manager line item will have to detail and provide back-up for the amount billed on HALO.

Documentation for administrative costs includes timesheets or a log of hours spent working on HPRP administrative activities, invoices for supplies/materials, phone bills, utilities etc.

Administrative fees *do not include* the costs of issuing financial assistance, case management staff, HMIS data input, cost of conducting housing inspections, and other operating costs directly related to serving the target populations (see Housing Relocation and Stabilization Services). *These costs should be included under one of the other eligible activity categories.*

Although MSHDA has not defined “reasonable share”, CHAP Lead Agencies are encouraged to share administrative funds with their sub grantees.

HMIS/Data collection and evaluation will be conducted via the Homeless Management Information System (HMIS). Cost associated with data collection is limited to two percent (2%) of the total grant amount. The Recovery Act requires that data collection and reporting for HPRP be conducted via the HMIS system. Funds allocated to this purpose cannot replace existing funding from local, state and federal sources.

HMIS funds may be used to purchase equipment. Note that administrative and data entry fees are separate—administrative up to 5% and data collection up to 2%—maximum combined for both is 7%.

Financial assistance is available for persons who are income eligible, have a demonstrated housing crisis, and lack necessary resources. Funds must be targeted based upon individual assessments of personal need. Each program participant must have a *Housing Plan* developed that identifies defined goals, outcomes, and timelines that provides a framework for achieving housing stability.

The following three criteria must be met for people who are homeless or those who are at risk of homelessness to qualify for resources and/or support under this program:

- An initial consultation with a Housing Resource Specialist to determine need must be held and documented on the HMIS and in the client's file.
- The households must meet both of the following circumstances:
 - a) No appropriate, subsequent housing options have been identified; **AND**
 - b) Lacks the financial resources and support networks needed to obtain immediate housing or remain in their existing housing.

Financial assistance is limited to the following:

- **Prevention (For individuals who are housed but are at risk of becoming homeless but for the assistance.)**
 - Short-term leasing assistance 3 months; an additional 3 months of leasing assistance is available after short-term leasing assistance is exhausted. Maximum leasing assistance available is 6 months for homelessness prevention.
 - Rental arrearages are a maximum of 3 months if it prevents an eviction.
 - Utility arrearages (maximum of 3 months) plus utility payments is a maximum 1,500 per household.
 - Lot rent (if the tenant owns the unit).
- **Rapid Re-Housing (for individuals who are homeless)**
 - Short-term leasing assistance up to 3 months; an additional 12 months of medium-term leasing assistance is available after short-term leasing assistance is exhausted. Maximum leasing assistance cannot exceed 15 months.
 - Security Deposit cannot exceed 1 month's rent (limited to one/household).
 - Utility Deposits up to \$200 per occurrence.
 - Utility payments are a maximum of \$1,500 per household.

Households who may become homeless after receiving Prevention Assistance are eligible for Rapid Re-housing assistance if they meet HPRP income eligibility criteria. Combined assistance cannot exceed the maximum limits per household. Combined rental assistance may not exceed 15 months (plus 3 months of arrearages); combined utility

payments/arrearages may not exceed \$1,500; credit repair/mediation may not exceed \$100. See above or the chart in the NOFA.

Housing relocation and stabilization services funds must be used to create and implement a comprehensive, easily accessible service and housing response system that addresses the needs of those who are homeless or at serious risk of homelessness. Each Community Housing Assistance Plan (CHAP) included the following activities:

- Housing Resource Specialists to provide housing case management services that include arranging, coordinating, linking and monitoring the delivery of services that assist participants to obtain and sustain housing stability.
- Monitoring program participant progress.
- Assuring that the rights of participants are protected.
- Development of individualized Housing Plans for each program participant.
- Housing search and placement activities designed to assist participants in locating, obtaining and retaining housing which may include credit counseling, when needed.
- Costs associated with completing Housing Quality Standard (HQS) and Lead-Based Paint inspections and determining payment standards, if leasing assistance is provided.
- Mediation and outreach to property owners related to locating or retaining housing, when needed.
- Legal services as needed to prevent the loss of rental housing. (To provide these services, grantees are expected to work with existing non-profit legal services providers.)
- ***Credit repair, mediation, and legal services (court eviction fees) combined cannot exceed \$100 per household. Legal fees must be used to help people stay in their homes.***
- Transportation/travel if a case manager is required to travel to visit a HPRP recipient. *Program participants are not eligible for transportation reimbursement.*

MSHDA has not prescribed a time limit for households to find housing. These funds are utilized on a first-come/first-serve basis until exhausted. The expectation is that case managers/housing resource specialist will work closely with households to secure housing.

Individual(s) receiving TBRA, HARP, or HCV (all known as rental assistance) may receive case management services (such as credit repair/mediation and housing search/placement) if they meet HPRP eligibility criteria and without case management they would become homeless; **they cannot receive HPRP funds for Prevention assistance.**

Use of these funds cannot be used to supplant existing mainstream services, rather participants must be assisted to utilize existing mental health, substance abuse treatment, SOAR, Family Independence Program, Child Daycare Program, Food Assistance Program, Medicaid, Legal Aid, and Michigan Works!

V. Ineligible Activities

These funds **cannot be used for shelter operations, to expand the number of beds in an existing shelter, to supplant existing mainstream resources or for mortgage payments. Payments can only be made to third parties**, such as landlords or utility companies; payments cannot be made to program participants. In addition, an assisted property may

not be owned by the grantee, sub-grantee or the parent, subsidiary or affiliated organization of the sub-grantee.

Other ineligible activities include:

- Shelter-focused case management;
- Mortgage payments or mortgage refinancing costs to make it affordable;
- Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program;
- Targeting resources to specific homeless populations—**all populations must be served;**
- Moving Expenses (funding for this activity is available through State Emergency Relief (SER);
- Motel/hotel Vouchers (funding for this activity is available through the statewide DHS shelter contract with The Salvation Army);
- Furniture (Grantees are encouraged to use existing community sources);
- Pet Care;
- Construction or rehabilitation;
- Credit card bills or other consumer debt;
- Car repair or other transportation costs;
- Travel costs;
- Food;
- Medical or dental care and medicines;
- Clothing and grooming;
- Entertainment activities;
- Work or education related materials;
- Cash assistance to program participants;
- Development of discharge planning programs in mainstream institutions such as hospitals, nursing homes, jails, or prisons. *However*, persons who are being imminently discharged into homelessness from such public funded institutions are eligible to receive financial assistance through HPRP;
- Payment of licenses, certifications, and general classes (classes not specifically related to these funds).

VI. Client Information

Client Files

The Lead Agency is required to maintain all Financial Records for their HPRP clients; partnering agencies may retain the client file information. All client files must be documented using the forms prescribed by MSHDA as outlined on the Client File Checklist. A copy of the Intake, Assessment, and Housing Plan must be maintained in each client file. These documents may be printed from Service Point in HMIS. Files must also contain case management notes.

Identification Documentation

There must be identification documentation for all household members whether receiving case management and/or financial assistance. Documentation may be a copy of the following:

- Driver's License
- Social Security Card

Medicaid Card (as a last resort *for children only*)
Birth Certificate
Passport

214 Status (HPRP Form No. 1)

For households to receive HPRP assistance (case management and/or financial assistance) they must be U.S. citizens or lawfully residing in the U.S. HPRP Form #1, Declaration of Section 214 Status, must be maintained in the client files. All family members, including minors, must be listed on the form. The parent or guardian must sign their own name for those member(s) under 18 years of age.

VII. Documentation

Transitional Housing Waiver (HPRP Form No. 14)

For those individuals timing out of or graduating from the following transitional housing program: Tenant-Based Rental Assistance (TBRA); Transitional Supportive Leasing Assistance Program (TSHLAP); Transitioning in Place Leasing Assistance Program (TIPLAP); and Rapid Re-housing (DHS Program); the HPRP Lead Agency must request a Waiver (HPRP Form #14) from MSHDA if there is compelling reasons for the individual(s) to receive HPRP assistance **and only if** the Agency submitting the request believes the Waiver should be granted. If a Waiver is granted, the individual(s) may receive a **maximum of 3 months of HPRP leasing assistance**. The Waiver applies to only the aforementioned transitional housing programs.

Documentation of Homelessness

To receive Rapid Re-Housing assistance, individual(s) must be homeless; documentation of homelessness must be in the client file. For purposes of this program, the qualifying definition of "homelessness" may include:

- Sleeping in an emergency shelter;
- Sleeping in a place not meant for human habitation, such as cars, parks, abandoned buildings, streets/sidewalks;
- Staying in a hospital or other institution for up to 180 days and was sleeping in an emergency shelter or other place not meant for human habitation (cars, parks, streets, etc.) immediately prior to entry into the hospital or institution;
- Graduating from, or timing out of a transitional housing program;
- Victims of domestic violence.

Homeless Certification (HPRP Form No. 17)

This form is to certify that an individual is currently homeless and must be completed and signed by an authorized agency representative. The Homeless Certification Form is the preferred method of verifying homelessness; however, if there is no response within **ten business days** and/or the homeless individual has not worked with an agency in the past, the Self-Declaration of Housing Status Form (HPRP Form No. 18) may be used.

Self-Declaration of Housing Status (HPRP Form No. 18)

This form may be used only if the Homeless Certification Form is not applicable and/or not returned within **ten business days**. Since the Self-Declaration of Housing Status Form states that third-party verification via the Homeless Certification Form is the preferred method of certifying homelessness and if this Form is used, HPRP staff must document in the individual's file their attempt for third-party verification, i.e. their attempt in completing Form No. 17. The Self-Declaration of Housing Status Form must be completed for individual(s) who are living with family and friends, i.e. doubled up. ***If***

doubled up, HUD requires a copy of the host family's lease and a letter stating the individual(s) must move. For individual(s) having to move from a privately owned home, the host family needs only to provide a letter stating the individual(s) must move.

Discharged from publicly funded institutions: Individual(s) discharged from publicly funded institutions who meet all HPRP eligibility requirements may receive HPRP financial assistance (rapid re-housing) and services. This includes those timing out/graduating from transitional housing programs such as the Michigan Prisoner Re-entry Program (MPRI) that without HPRP assistance would be homeless.

Doubled up: Individual(s) living with family or friends (doubled up) are eligible for Prevention Assistance if determined they would be "homeless but for the assistance" and meet all other HPRP eligibility criteria.

Living in hotel/motel: If the hotel/motel is being provided by a service provider (such as The Salvation Army), the household would be considered homeless and be eligible for rapid re-housing if they meet the HPRP eligibility income limit. Homelessness would then be documented by the service provider using HPRP Form No. 17. Households paying their own hotel/motel would not be eligible for this program.

Once on HPRP, individual(s) being served with Rapid Re-Housing assistance do not lose their homeless status and remain eligible for transitional or permanent supportive housing programs such as TBRA or HARP. They may receive HPRP assistance until a permanent supportive unit is available, provided the HPRP assistance does not exceed 15 months and does not violate or conflict with any program requirements.

Documentation of Eviction

To pay rental arrearages (maximum of 3 months if it prevents an eviction) and/or provide leasing assistance for Prevention, there must be documentation of eviction/late rent payment in the client file. Documentation may be either a copy of a "Notice to Quit", "Demand for Possession", or "Summons & Complaint".

Documentation of Utility Shut-off/Payment of Utilities

For Prevention: To pay utility arrearages (maximum of 3 months, not to exceed \$1,500/household) and to assist with utility payments, there must be a copy of a utility shut-off and/or utility bill(s) in the client file. The household must also apply for State Emergency Relief, be denied, and must meet qualifications under Prevention assistance. Utility arrearages plus utility payments is a maximum of \$1,500 per household.

For Rapid Re-Housing: If making utility payments, a copy of the utility bill(s) must be maintained in the client file. The household must also apply for State Emergency Relief, be denied, and must meet qualifications under Rapid Re-Housing assistance. Utility payments plus utility arrearages are a maximum of \$1,500 per household.

Utility Arrearages from a Previous Address for Re-housing Clients

HPRP administered through MSHDA will allow utility payments for a previous address, regardless if it was not the household's last address; however, the following guidelines must be followed:

- Utility arrearage payments cannot exceed \$1,500;

- If the utility arrearage is over the \$1,500 maximum, the HPRP case manager is required to work with the utility company to set-up a payment plan between the household and the utility company and/or ask the utility company to forgive the debt.
- **Before making payment for utility arrearages**, the case manager must document in the client's file with either verbal or written documentation from the utility company that by paying a specified amount, again up to \$1,500, the utilities will be turned on for the household by the utility company at the new address.
- A copy of the DHS Denial Letter must be maintained in the client's file.

Utility payments must be made directly to the utility company. Utilities do not include telephone and cable/dish TV.

Waiver of State Emergency Relief (SER) Denial Letter (HPRP Form No. 15)

If any of the following scenarios apply, individual(s) would be ineligible for SER and will receive an immediate denial from DHS. In such cases, the CHAP Lead Agency may use the Waiver in place of an SER denial **for providing rental assistance, paying rental arrearages, and security deposits only.**

The HPRP CHAP Lead Agency is still required to refer clients to DHS for other SER and entitlement benefit assistance that an individual or family may qualify for.

If any of the four (4) scenarios apply to a client, the appropriate box must be checked and a copy of HPRP Form #15 must be placed in the client file. Proper documentation to support the scenario(s) must also be placed in the client file.

- If the client is currently living with family members or friends (doubled up) at the time of HPRP screening then **HPRP Prevention Assistance** may be provided, unless one of the following exists:
 - Living with others due to a fire that occurred 60 days prior;
 - Living with others to escape Domestic Violence;
- If the client needs rental assistance but does not at the time of HPRP screening have a court-ordered eviction notice, court summons, or court judgment then **HPRP Prevention Assistance** may be provided.
- If the client is found to be in non-compliance with DHS child support requirements then **HPRP Prevention Assistance** may be provided.
- If the client reports zero household income for all household members or in any case where the rent obligation exceeds income, the DHS Affordability Policy would apply, and then **HPRP Rapid Re-housing or Prevention Assistance** may be provided.

DHS Denial Letter

In situations where a denial letter is not received from the DHS within seven (7) business days, Grantees may provide assistance using HPRP funds. Agencies must keep a copy of the original request to DHS in the client file and document no response.

Other Mainstream Resources

All clients must be assisted to apply to the Department of Human Services and Department of Community Health for SOAR or other entitlement benefits.

Letters Substantiating Other Prevention Assistance

Clients must be connected to existing resources in the community before HPRP funds are used. If individual(s) are receiving other prevention application, documentation of such application must be maintained in the client file.

Documentation of Full-Time Student Status

For full-time students age 18 years or older (excluding head of household and spouse) the household must provide documentation of school enrollment.

Staff Affidavit (HPRP Form No. 16)

HPRP staff and supervisor must sign the Staff Affidavit (HPRP Form #16) certifying that the person/household meets all requirements to receive assistance under the HPRP and that all of the information provided is true and complete to the best of their knowledge. It further certifies that the person(s)/household receiving assistance has not resulted, nor will result, in a personal or financial interest or benefit for Agency Staff or for anyone with whom they have family or business ties.

VIII. Income

Verification of Income (HPRP Form No. 20)

This form is to verify all sources of the applicant's income. This form must be filled out by the employer and/or the agency providing payments and benefit income, and mailed or faxed directly to the requesting agency. This form should not be hand carried by the applicant.

Although the Verification of Income Form is the preferred method of verifying income; if there is no response within **ten business days**, the Self-Declaration of Income Form (HPRP Form No. 19) may be used. The Verification of Income form also serves as an authorization to release information.

The following are acceptable forms of third-party verification for Social Security, Child Support, and Unemployment:

- Social Security: yearly letter from Social Security;
- Child Support: original court documents if the payments are current and not in arrears;
- Unemployment: official letter to the client announcing their actual unemployment award.

Self-Declaration of Income (HPRP Form No. 19)

This form may be used only if the Verification of Income Form is not applicable and/or not returned within **ten business days**. If the Self-Declaration of Income Form is used, HPRP staff must document in the individual's file their attempt for third-party verification, i.e. their attempt in completing Form No. 20. ***Individuals/families completing the Self-Declaration of Income Form must always document with check stubs, SSI statements, etc. In addition, an individual/family must complete this form if they have no source of income.***

Calculation Worksheet (HPRP Form No. 2)

The Calculation Worksheet is completed to determine gross annual household income and the amount of rent the household is required to pay each month. Households are required to pay 1% of their gross annual projected income toward their monthly rent. Income verified

at the time of application is annualized to project gross annual income; there are no allowances/deductions from the household's gross income.

Convert all income to an annual figure by multiplying the pay rate by the frequency of payment.

- Multiply hourly wages by the number of hours worked per year. Full-time employment (40 hours a week and no overtime) is 2,080 hours (40 hrs X 52 weeks = 2080 hours). (10 hours a week X 52 weeks = 520 hrs per year).
- Multiply weekly wages by 52.
- Multiply bi-weekly wages by 26.
- Multiply semi-monthly wages by 24.
- Multiply monthly wages by 12.
- Multiply daily wages by 260 (full time/no overtime).
- To convert monthly amount to weekly, divide by 4.3.
- Round up to the nearest dollar at .50 and above (except SS payments, which are always rounded down).
- **Unemployment compensation should be calculated assuming current circumstances will last a full 12 months. If changes occur later in the year, an interim recertification can be conducted to change the family's rent.**

The household contribution of 1% applies to rental assistance not rental arrearage amounts.

Households with zero income may qualify for HPRP if allowed in their local CHAP Agency's plan.

Verification of Income/Quarterly Review (HPRP Form No. 3)

Income verification/program eligibility must be verified at least quarterly for individual(s) receiving case management and/or financial assistance. Verification of income must be conducted face-to-face with the head of household and documented using HPRP Form No. 3.

Household income must first be attempted by third-party verification (HPRP Form No. 20); if this is not possible, individuals may use the Self-Declaration of Income Form (HPRP Form No. 19). If there is a change in household income, the calculation worksheet must be completed and if gross annual household income exceeds 50% of the AMI, the household is no longer eligible for assistance. Assistance must be terminated the month immediately following the review. Also, if the household's income increases, the household's new payment amount is effective the month immediately following the review. Households are not required to disclose an increase in income between quarterly reviews; however, if they do disclose, then an interim verification review must be completed.

Adjustment Notification to Landlord (HPRP Form No. 4)

Both the owner and tenant must be notified using HPRP Form No. 4 if there is a change in the payment structure (household contribution versus assistance payment amount).

IX. Housing Documents

Lease

A lease is required for households receiving financial assistance. Financial assistance includes: short-term and medium-term rental assistance, security deposits, utility payments, utility arrearages, and rental arrearages. All household members must be listed on the

lease and a copy of the lease must be maintained in the client file. Leases must be approved by the HPRP case manager/housing resource specialist. If a HQS inspection is required, a lease cannot be signed until after the inspection is complete and necessary repairs have been made.

If the Landlord agrees to lower the rent to comply with the Payment Standard, a new lease needs to be signed. The rent amount charged after the household's leasing assistance has ended would be between the landlord and the tenant.

Lease Approval (HPRP Form No. 5)

The Lease Approval form is to be completed by the applicant and landlord to request the HPRP Program Administrator's approval of the unit for which the applicant has elected to receive rental assistance.

Rent Reasonableness (HPRP Form No. 6)

For Prevention and Rapid Re-Housing rent comparables are required for all households receiving security deposits, short-term, and medium-term leasing assistance. HPRP assisted units must rent for a reasonable amount, compared to rents charged for comparable, unassisted units. Grantees must document the basis for their rent reasonableness determinations on HPRP Form No. 6. The prescribed form provides a rent analysis for three (3) comparable unassisted units. Although it is acceptable to use 3 unassisted units in the same apartment complex, it is recommended that two comparable units be located in other complexes/locations.

Notice of Inspection (HPRP Form No. 7)

Landlords and tenants must be notified of the date and time of HQS and Lead-Based Paint inspections (HPRP Form No. 7). The tenant or the landlord or an adult representative **must be present** at the housing unit during the inspection.

Housing Quality Standards (HQS) Inspection Forms (HPRP Form Nos. 9 and 9A)

Prevention assistance: HQS inspection is not required; however, if the household receives leasing assistance beyond 3 months, the unit must pass a HQS inspection. After 3 months, if the unit is not in compliance with HQS, the household must then be moved to a new unit. The new unit must pass HQS inspection before the household moves in.

Rapid Re-Housing: The unit must pass a HQS inspection before the household moves in.

HQS inspection is required for Rapid Re-Housing and whenever individual(s) are moving into a new unit.

The HQS short form (HPRP Form No. 9A) may be used after the inspector has completed 10 inspections using the HQS long form (HPRP Form No. 9).

Inspection Deficiencies Notice (HPRP Form No. 8)

If a unit fails to pass a HQS inspection, the owner must be notified in writing of the specific deficiencies and the necessary corrective action (HPRP Form No. 8) must be completed within a specified timeframe. *Landlords and tenants* should be given a reasonable period of time (i.e., 24 hours for emergency conditions or 30 days for less serious conditions) to correct the deficiencies. If repairs cannot be made because of inclement weather, the Landlord must complete the Delayed Exterior Repair Agreement (HPRP Form No. 8A) stipulating that needed repairs will be completed by the due date(s) specified on the form.

HPRP Form No. 10 must be completed for units that failed a HQS Inspection and had repairs that involved deteriorated paint.

Lead-Based Paint Inspection (HPRP Form Nos. 10, 11, and 12)

Lead-Based Paint Inspection is required for Prevention and Rapid Re-housing for properties built before 1978 and if a child age 6 or younger will be residing in the unit. The inspection may be visual; however, if the child age 6 or younger has been identified with an Identified Environmental Intervention Blood Lead Level, the inspection must be done by a Certified Lead-Based Paint Risk Assessor (HPRP Form No. 11). The household must be provided with the HUD pamphlet, *Protect Your Family from Lead in Your Home*.

HPRP Form No. 10 must be completed for units that failed a HQS Inspection and had repairs that involved deteriorated paint.

HPRP Form No. 12 must be completed for units built prior to 1978 and if a child age 6 or younger will be residing in the unit.

W-9 Request for Taxpayer Identification No. and Certification (HPRP Form No. 13)

Landlords receiving rent payments must provide the HPRP Lead Agencies with their Taxpayer Identification No. using the W-9 (HPRP Form No. 13).

X. Program Support Information

Occupancy Standards:

MSHDA has developed occupancy standards that comply with HQS requirements and outline how the number of bedrooms required by the household will be determined. The following basic standards can be modified to take into consideration specific household composition and circumstances (i.e., pending child custody cases, chronic illnesses, family member who is absent most of the time).

- No more than two persons are required to occupy a bedroom;
- Persons of different generations (i.e., grandparents, parents, children), persons of the opposite sex (other than spouses/couples) and unrelated adults are not required to share a bedroom;
- Children of the same sex (regardless of age) and couples co-habiting (whether or not legally married) must share the same bedroom for purpose of assigning the number of bedrooms;
- A live-in care attendant who is not a member of the family is not required to share a bedroom with another household member;
- Individual medical problems (i.e., chronic illness) sometimes require either separate bedrooms for household members who would otherwise be required to share a bedroom or an extra bedroom to store medical equipment;
- In most instances, a bedroom is not provided for a family member who will be absent most of the time, such as a member who is away in the military.

Single Room Occupancies (SRO's) are not acceptable; in order to meet HQS each unit must have a separate kitchen and a bathroom.

Occupancy standards are used to provide consistent criteria for determining the unit size for which the household is eligible and thus, the amount of assistance to be provided. Fair housing rules permit a household to select smaller units that do not create seriously overcrowded conditions. A tenant may select a larger unit if it meets the Payment Standard

for the actual number of bedrooms for which they are eligible according to the eligibility guidelines. Tenants are not allowed to give the landlord additional funds for larger units.

- *Undersized Units:* If a family elects to occupy a unit with fewer bedrooms than specified in the Occupancy Guidelines, the Payment Standard is based on the *actual* number of bedrooms;
- *Oversized Units:* If a family elects to occupy a unit with more bedrooms than specified in the Occupancy Guidelines, the Payment Standard is based on the number of bedrooms specified in the Occupancy Guidelines.

If an additional bedroom is required for an individual who would normally be required to share a room, the reason must be documented in the file. For example: If an additional room is needed because of a medical condition, documentation may be a note from their doctor; otherwise, if the case manager determines an additional room is needed (medical condition, care-giver, medical equipment etc.) the case manager must document the reason in the case management notes.

For Prevention: If the bedroom and household size is reasonable, Prevention Assistance may be given for the first 3 months and HQS is not required. However, if the household receives leasing assistance beyond 3 months, then the unit must meet HQS and the household would then need to be moved to a unit with a sufficient number of bedrooms.

In cases where college students and children staying only for weekends etc., the amount of time spent in the unit should be taken into consideration before assigning additional bedroom(s). Keep in mind that HPRP assistance is short-term and a smaller unit is acceptable if it does not create serious overcrowding; remember, a living room can be counted as a sleeping room. If a student/children will be in the unit the majority of the time and future rent will not be a burden, then an additional bedroom can be assigned.

A separate bedroom cannot be issued for an unborn child. Once the baby is born a second bedroom can be issued unless the baby has an older, same sex sibling who has already been issued a bedroom.

Payment Standard

For HPRP the Contract Rent must be equal to or less than the Payment Standard. For Prevention households, payment for rental arrearages and rental assistance must also comply with the Payment Standard; if the Landlord is not willing to comply with the Payment Standard, the household must be moved to another unit. If the contract rent exceeds the Payment Standard, households are not allowed to pay the difference.

Deposits and Non-Refundable Fees

For Rapid Re-housing assistance, the security deposit cannot exceed 1 month's rent (limited to one per household) and utility deposits are a maximum of \$200 per occurrence. Deposits will remain with the household. Nonrefundable fees such as cleaning fees and late fees cannot be paid from HPRP funds. Security Deposits are not included on the IRS 1099 form (include only rent amounts paid to the Landlord).

Requiring Participation in Support Services

Support services cannot be mandated for individual(s) receiving HPRP assistance. Households who are income eligible but fail to make effort to find employment, secure income, apply for other rental assistance programs etc. although they demonstrated the ability to sustain housing at the time of entry cannot have their assistance terminated based

on this criteria. Participants enter as eligible for 3 months; they cannot be promised any certain length of assistance (i.e. assistance will be offered/paid month-by-month within the qualifying limits).

Financial Status Reports (FSR) and Cash Advances

Agencies are required to request funds monthly via the Homeless Assistance Link Online (HALO). Although a tenant setup in HALO may be requested for a maximum of 3 months, Grantees may only request one month's rent per household per FSR.

Agencies may request a cash advance of 1/12 of the first year's allocation (which is 50% of their total award amount). HPRP funds must be kept in a non-interest bearing account.

Billing for Financial Assistance includes: security deposits, utility deposits, leasing assistance, rental arrearages, utility payments, and utility arrearages.

Billing for Case Management includes case management services, costs for mileage, and HQS and Lead-Based Paint Inspections. When billing for case management, Agencies must indicate in the description on the FSR, the name of the case manager, hours worked/period of time, and hourly rate of pay (e.g. John Doe worked 35 hours/week for 2 weeks, \$15/hour).

Billing for Housing Relocation and Stabilization Services includes credit repair/mediation.

The Catalog of Federal Domestic Assistance (CFDA) number for HPRP is 14.257.

Appeals Process/Program Violations

Lead agencies should develop their own appeals process, which must be reviewed by their Homeless Assistance Specialist. Appeals should be resolved at the local level through the Interagency Service Team. For individual(s) who have lost their Section 8, TBRA, or Shelter Plus Care vouchers due to program violations, eviction, or misconduct eligibility for HPRP assistance will be determined on a case-by-case basis. Case managers/housing resource specialists must contact their Homeless Assistance Specialist for guidance.

Fraud Procedures

When an agency finds or hears of fraudulent use of HPRP funds, they are required to report the situation via e-mail to their HPRP MSHDA Program Specialist. MSHDA will, in turn, inform the local HUD office.

Reporting on Number of Jobs Created/Retained

Timesheets showing hours worked on HPRP activities must be submitted to MSHDA by the 25th day of the month prior to the end of the quarter (e.g. December 23, 2009, March 25, 2010, June 25, 2010, September 25, 2010 etc.)

Quarterly Performance Report

Lead Agencies must make certain that all data is entered into HMIS and HALO systems by the 25th day of the month prior to the end of the quarter (e.g. September 25, 2009, December, 23, 2009, March 25, 2010, June 25, 2010 etc.). The data will then be compiled by The Michigan Coalition Against Homelessness and MSHDA staff to complete the Quarterly Performance Report.

XI. Intake, Assessment, Housing Plan

The CHAP Lead Agency will be the Central Intake and Housing Assessment for all individuals that are to be assisted through the HPRP. (Lead Agency's may elect to sub-contract this responsibility, but note that sub-grantees are required to follow all policies and procedures outlined in this NOFA.) The Central Intake and Housing Assessment process is comprised of two parts:

1) *Intake* - The initial point of contact includes an intake in order to prioritize households based on the severity of their housing crisis and targets the most appropriate response with the situation presented. The intent is to discern *primary* need and the *urgency* of the need.

- All households will be screened either by phone or in person.
- Protocol must be developed between CHAP Agency and a crisis line, e.g. 211, taking calls during non-traditional work hours. The crisis line, e.g. 211, must make callers aware that he/she should contact the CHAP Agency when their office reopens.
- Households who are presented with immediate safety issues will be re-directed appropriately (Domestic Violence or 911.)
- Intakes are required to determine primary issues.
- If the intake concludes there is **not an immediate housing need** (but other needs are present), households will be referred to the appropriate resource to address the need (ex. Food assistance through DHS, mental health through CMH, etc).
- If the intake concludes there **is an immediate housing need**, households will proceed to a full housing assessment or be scheduled for a housing assessment within two business days.
- Sharing of client information – an executed sharing QSOBAA to allow sharing within HMIS between agencies.

2) *Housing Assessments* – Depending on the urgency and priority identified in the intake, the CHAP Lead Agency will conduct a comprehensive housing assessment with the household. The assessment, at a minimum, will identify the housing needs of the household. The assessment will function as the basis for creating the "Housing Plan" (HP) which serves as the foundation for resource coordination and resolution of the housing crisis. Housing assessments will be done through HMIS.

- Housing Resource Specialists (see definition below) will utilize an assessment tool within HMIS, focusing on issues related to obtaining and maintaining housing. Assessments will be conducted in person.
- Housing Resource Specialists will identify the most appropriate resources for which the household may be eligible and provide this information to the household both verbally and in a written form as part of the "Housing Plan."
- Households will either be offered case management (see definition of Housing Resource Specialist below) to assist them with accessing the appropriate resources/support, which will assume responsibility for resource coordination and case management.
- If the household agrees, the HP can be shared with other providers to assist in obtaining resources or housing.

Housing Plan

A Housing Plan (HP) must be completed for all individuals that receive a housing assessment. The HP is intended to be a guide for both the household and the service agencies. Housing Plans must be framed to include:

- A focus on obtaining or maintaining housing;
- Defined goals, outcomes and timelines as well as frequency of meetings and follow-up;
- An identification of needed community resources;

- Referrals to partnering agencies for receipt of needed mainstream services;
- An attached copy of the housing assessment.

Intake, Assessment, and Housing Plan are standardized forms within the HMIS System, and a copy of these forms must be maintained in the client file.